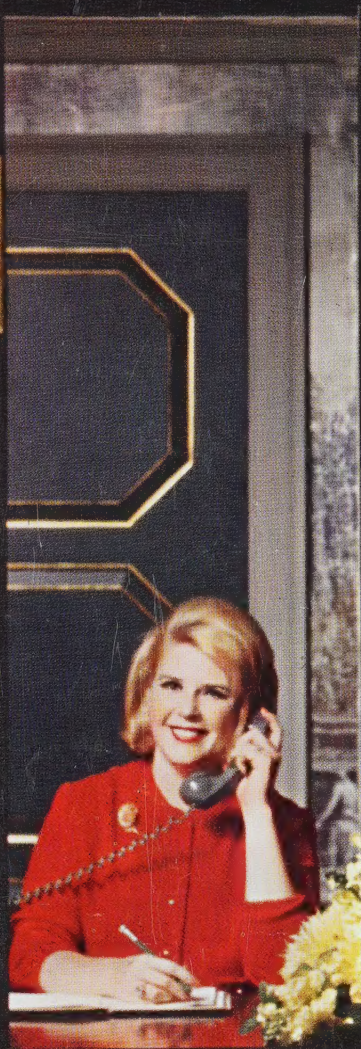


# HOOVER WORLDWIDE

AR14



THE HOOVER COMPANY 1964 CONSOLIDATED



ANNUAL REPORT





Numbers shown with each Hoover product on these fold out pages are keyed to product descriptions on pages 13-15.



## THE YEARS IN REVIEW

APR 15 1965

The Hoover Company and Subsidiaries

	1964	1963	1962
Total Net Sales.....	\$248,797,757	\$241,802,548	\$222,315,558
Income Before Minority Interest.....	\$ 19,339,217	\$ 19,160,389	\$ 15,825,294
Net Income After Minority Interest.....	\$ 14,142,157	\$ 13,935,510	\$ 11,606,469
Dividends Paid on Preferred Shares.....	\$ 30,792	\$ 33,119	\$ 35,055
Dividends Paid on Common Shares.....	\$ 4,926,347	\$ 3,895,251	\$ 3,375,934
Common Shares Outstanding.....	6,804,088	3,388,947	3,383,757
Earnings Per Common Share.....	\$ 2.07	\$ 2.05*	\$ 1.71*
Dividends Per Common Share.....	\$ .725	\$ .575*	\$ .500*
Common Shareholders .....	5,869	4,899	4,273
Preferred Shareholders .....	130	122	128

\*Adjusted for additional shares issued May 28, 1964, in connection with Plan of Recapitalization.

Front Cover Photo:

### Hoover Worldwide Headquarters

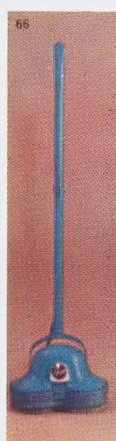
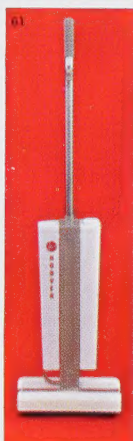
Attractive decor and a smiling receptionist make visitors feel welcome at Hoover Worldwide Corporation's headquarters on midtown Madison Avenue in New York City.





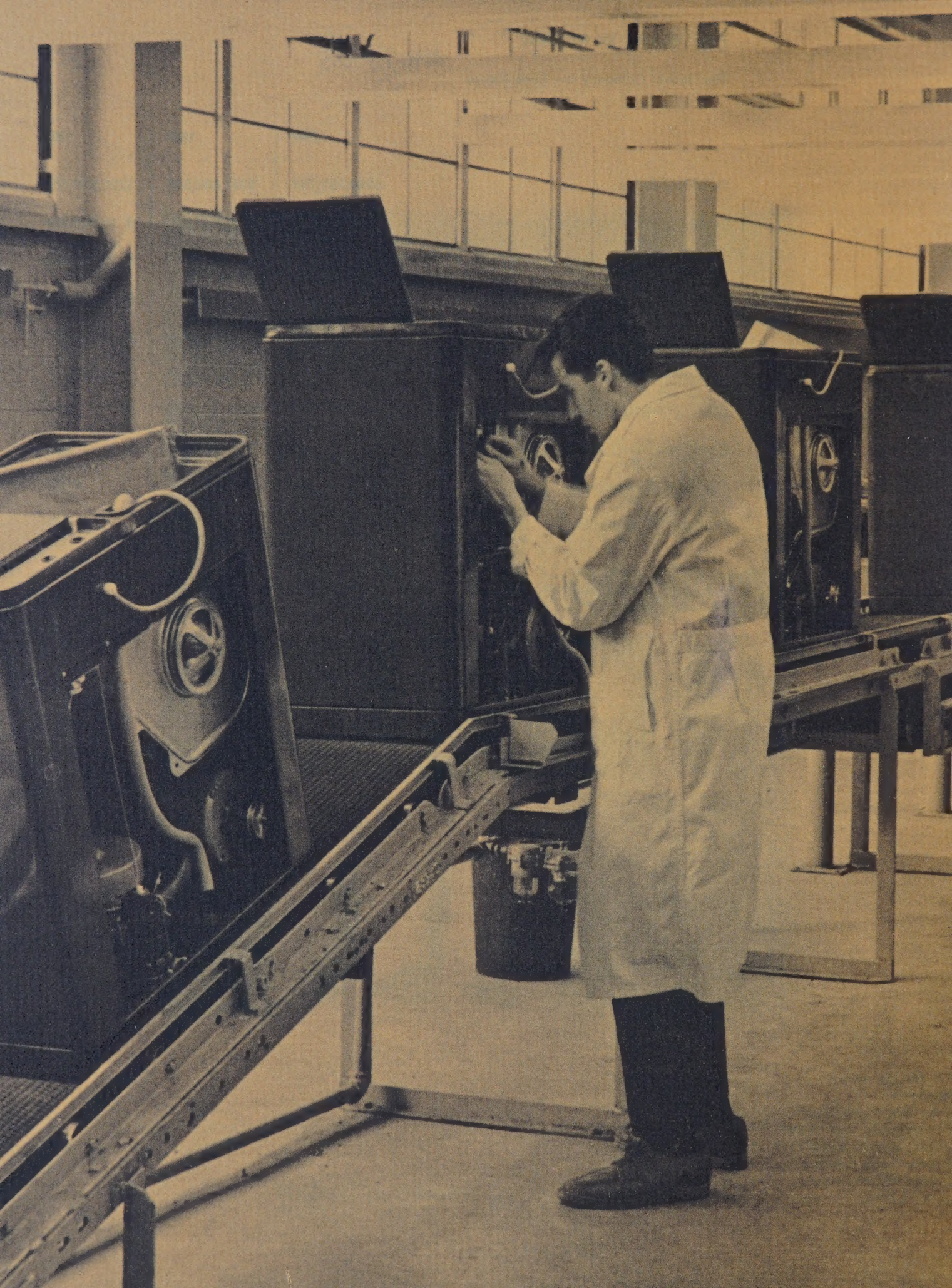
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## FELLOW SHAREHOLDERS:

It is a pleasure to report to you that the worldwide operations of The Hoover Company in 1964 set new records for sales, earnings, and earnings per share after taxes. Consolidated worldwide sales increased to \$248,797,757 from \$241,802,548 in 1963. Consolidated net income after taxes was \$14,142,157 compared to \$13,935,510 in 1963. Consolidated net income before taxes and minority interest rose to \$40,625,484 in 1964, compared to \$39,771,349 in 1963. Earnings per common share after taxes were \$2.07, compared to \$2.05 in 1963.

Domestic results for The Hoover Company alone set new records all along the line. Net sales reached \$66,658,534, up 8% over 1963's total of \$61,926,930. Net income was \$10,429,239, compared to \$9,937,359 in 1963. And earnings per common share after taxes advanced to \$1.53, compared to the \$1.46 earned in 1963.

In this report, we are presenting—for the first time—detailed, consolidated figures on the Company's worldwide operations. Though a project of much complexity—because the Hoover Group now comprises companies with manufacturing facilities or marketing headquarters in 20 countries—presenting figures on a consolidated basis is necessary to give an accurate reflection of the worldwide growth and development of The Hoover Company. Today we plan and operate on a worldwide basis, the results benefit shareholders on that basis, and investors are beginning to evaluate the Company on that basis.

### first consolidated report

Since this is a new approach, and since new shareholders and security analysts are reading about the Company for the first time in this annual report, it will be more comprehensive and detailed than in the past.

One of the most interesting aspects of our international operations is the cross-fertilization of ideas and products that results. As one case history, let me cite the Hoover Washer. It is based on an American invention that, in its original form, did not seem suitable for the U.S. market. But we brought

it to the attention of our British affiliate, Hoover Limited, which began making it at the Merthyr Tydfil plant in South Wales in 1948. Since then, it has met with resounding success—both in Great Britain and in the Overseas markets covered by Hoover Limited. *Over six million* of these washing machines have already been built at Merthyr Tydfil.

In addition, the improvements built into the washer over fifteen years by Hoover Limited made it seem an attractive possibility for the U.S. market. So, after a year of successful tests of the U.S. market, using units imported from Britain, the Company in late 1964 set up production lines for the washer at our main factory at North Canton, Ohio. Here we are gradually expanding production to meet a growing U.S. demand. In addition, a factory has been built in Dijon, France, to manufacture Hoover Spin Drying Washers for the continental European market.

### coordination through Hoover Worldwide Corporation

Other products, procedures, and management techniques are also interchanged through the coordinating mechanism of Hoover Worldwide Corporation—a management planning and consultation organization. It advises all Hoover companies operating throughout the world, accelerating and stimulating the cross-fertilization process.

A fruitful example of this in the field of management techniques and procedures has come out of our experience in the U.S. in lowering selling cost by abandoning direct home selling through a Hoover-employed sales force, and centering all our selling through dealers. Based on the U.S. results, Hoover companies throughout the world in 1964 made a similar changeover. Of course, this has resulted in non-recurring costs for such factors as severance pay, employee relocation, and early retirement—all charged against 1964 results. But this has built the base for a substantial cut in costs, more competitive pricing and an improvement in profits for 1965 and beyond.

### U.S. Production Line for Washing Machines

Spin Drying Washers move along the assembly line set up at The Hoover Company's North Canton, Ohio plant after market test of British model imported from Hoover Limited showed sizable U.S. market potential.



## Hoover business objectives

In this expanded, consolidated report, this also seems a good time to make a clear statement of The Hoover Company's Business Objectives. Evolving and changing with changing conditions over the years, these objectives and policies can be summed up today in six main points:

**1. To obtain a primary position in the worldwide manufacturing and marketing of a broad line of household appliances** — The Hoover Company is generally considered to be the largest manufacturer of vacuum cleaners in the world. Both in the U.S. and in the United Kingdom, despite heavy competition, we lead the field. And in the United Kingdom, Hoover Limited is by far the dominant company in the washing machine field. In addition, since 1948 we have been developing a broad line of other household appliances that—based on our manufacturing and marketing know-how—has begun to make an additional contribution to the Company's sales and profits.

**2. To remain a marketing-oriented organization selling a high quality line of products** — As we mentioned before, The Hoover Company has gradually shifted from a door-to-door selling organization backed by local dealers to an organization distributing solely through dealers. This system of distribution permits greater market coverage and provides the necessary outlets for broadening the product line, since a dealer can handle and present far more products than can a house-to-house salesman. As a result, we have built up the number of dealers in the United States alone from about 8,000 in 1947 to over 25,000 today.

The Hoover line which these dealers handle has a jealously guarded reputation for high quality. This is the result of years of product improvement and exacting quality control procedures which are strictly enforced—both in the Company's own plants and in the operations of suppliers who provide us with parts or products.

**3. To maintain our ability to produce quality products at the lowest possible cost** — As The Hoover Company has grown, so has its

ability to benefit from the economies of volume production. Our various manufacturing facilities are coordinated on a worldwide basis to facilitate the introduction of the most up to date production methods, to promote the sharing of experience and to maximize the economies inherent in specialized high volume manufacturing units. Hoover companies are free to buy parts from each other, but are not obligated to do so; and Hoover sales companies are also free to buy their products from any Hoover manufacturing company, and thus seek to secure the most advantageous price. This creates a competitive situation within the Hoover group of companies and promotes competition between the various manufacturing entities.

**4. To maintain a dominant position in research and development applied to the household appliance field** — Hoover leadership in its section of the appliance industry has for years been aided by an engineering staff that has been strong in the research and development field. The activities and achievements of this research and development group will be commented upon more extensively later in this report.

**5. To maintain an especially strong financial position through sound financial policies** — To date the growth of The Hoover Company has been financed entirely through retained earnings. No change is foreseen in this policy of having no recourse to funded debt. On the other hand, it is likely that funds will continue to be borrowed locally in some foreign countries as a hedge against excessive inflation or monetary devaluation. And while it has been the Company's policy to maintain a very liquid financial position, future cash needs and resources are being analyzed as a basis for dividend policies and the provision of funds to finance the expansion of our business.

**6. To develop a decentralized organization based on strong operating companies whose efforts are coordinated through Hoover Worldwide Corporation** — In order to exploit effectively the opportunities for growth and expansion available throughout the world, it has become obvious that each Hoover





company must adopt a truly international management outlook. Hoover Worldwide Corporation provides the stimulus and advice for this point of view — while still providing scope for the management of the individual companies in the Hoover Group to exercise their own initiative and leadership.

Based on our Policies and Objectives, we are actively planning to meet the opportunities in the years ahead. By 1970, U.S. population is expected to increase 10% . . . Gross National Product is expected to increase 32% . . . the rate of family formation is expected to increase 25% . . . appliance industry volume is expected to increase 20% . . . and we are planning for an increase in consolidated sales volume of 100%.

#### **our expansion plans**

Of course, this 100% increase in consolidated sales volume is based on worldwide activity. To reach this \$500,000,000 yearly level will involve the introduction of new major appliances, particularly in foreign

markets. It also means that plant capacity will have to be built to produce this volume. And it depends upon the continuation of stable economic and political conditions throughout the world.

The U.S. market for many appliances is now near the saturation level, so that today our principal sales in these lines are as replacements. There will, however, be a new expansion available to us as the products of the postwar Baby Boom of the late 1940's soon begin to reach marriage age and set up their own households. And other countries outside the U.S. are still far from the saturation level in most appliances. Thus, they represent an attractive market for initial — as well as replacement — appliance sales.

However, we also expect the continuation of the stiff competition which has characterized the appliance industry throughout the world in recent years.

Many of our competitors, particularly in Europe, are plagued by excess productive capacity, and may be expected to build ahead of market demand. This means a continued trend toward lower unit prices. It also means continued pressure on Hoover to produce high quality products in large volume, at low costs. And it means that we must continue our drive to reduce distribution, merchandising, and other marketing costs.

Our record during the past year in this area has been a good one — as you can see from the facts and figures presented in this report. Let me, therefore, offer thanks from the Board of Directors and myself to Hoover employees everywhere who have shown a cooperative and creative attitude toward our operations — particularly to such major projects as the changeover in our basic distribution-sales method. The results should be a continuing enlargement of benefits and opportunities for both employees and shareholders in the years to come.

Sincerely,

H. W. HOOVER, JR.  
*President-Chairman*





● sales companies

AUSTRALIA  
Meadowbank, N.S.W. (Sydney)

BELGIUM  
Brussels

BRAZIL  
Sao Paulo

CANADA  
Hamilton, Ontario

COLOMBIA  
Bogota

DENMARK  
Copenhagen

FINLAND  
Helsinki

FRANCE  
Paris

GERMANY  
Dusseldorf

HOLLAND (THE NETHERLANDS)  
Amsterdam

ITALY  
Milan

MEXICO  
D.F.

NORWAY  
Oslo

PANAMA  
R.P.

RHODESIA  
Bulawayo

SOUTH AFRICA  
Johannesburg

SWITZERLAND  
Zurich

GREAT BRITAIN  
Perivale, England

U.S.A.  
North Canton, Ohio

▲ manufacturing plants

AUSTRALIA  
Meadowbank, N.S.W. (Sydney)

BRAZIL  
Sao Paulo

CANADA  
Hamilton, Ontario

COLOMBIA  
Bogota

FINLAND  
Helsinki

FRANCE  
Longvic (Cote d'Or) (Dijon)

MEXICO  
D.F.

SOUTH AFRICA  
Johannesburg

GREAT BRITAIN  
Aberdare, South Wales  
Cambuslang, Scotland  
Dowlais, South Wales  
High Wycombe, England  
London, England  
Merthyr Tydfil, South Wales  
Perivale, England

U.S.A.  
Canton, Ohio  
North Canton, Ohio





## BRIEF HISTORY:

from 3 employees to 20,000

it started in a corner of the W. H. Hoover  
Company Leather Goods Factory

Back in 1908, W. H. Hoover and his son H. W. had decided that they'd better start to plan ahead. The Hoover saddlery and leather goods business, which had been started in 1877 by W. H. Hoover, was prospering. But the Hoovers correctly assessed the future that was opening up for the infant auto industry — and although the Company was making some leather items for autos, they foresaw that their basic market for saddles, buggy whips, and harness was fated to decline drastically.

The family saw a real market, however, in a newly designed home vacuum cleaner powered by an electric motor. They formed an organization called the Electric Suction Sweeper Company and assigned it a corner of the leather goods factory. Here young H. W. Hoover headed a three-man force to make and sell the vacuum cleaner.

Production was soon built up to a rate of 5-6 cleaners a day. To sell this output, H. W. called on local merchants and made out of town trips, armed with samples. Descriptive literature was printed and prospective dealers were circularized by mail. And in a daring step at this early stage, the Company ran an advertisement in the December 5, 1908 issue of *The Saturday Evening Post*. Offering a 10-day free home trial of the Electric Suction Sweeper, the ad brought in hundreds of inquiries from prospective customers. In each case the 60 lb. cleaner was shipped to a local dealer for delivery to the prospective customer — thus lining up dealers at the same time.

Salesmen were then hired to supplement the dealers and demonstrate the cleaners house-to-house. Thus, home demonstration by door-to-door salesmen, backed by a strong organization of local dealers, became the core of the Company's marketing policies during its early years.

Covering the Territory—1912  
Resourceful Hoover salesman  
uses bicycle to transport his  
model for home demonstration



### product design & improvement program started

From the beginning, the Company also devoted attention to product design and improvement. Management began to focus attention on research and development as early as 1909. By 1920 an active research and development department was an important division of the Company. Out of these early R&D programs came recognition of the significance of carpet vibration in dirt removal. As a result, an exclusive feature was built into Hoover cleaners: the gentle beating or tapping of the carpet by a patented agitator bar to loosen embedded dirt.

With a solid foundation in product and sales organization, the Company expanded steadily. In 1911, a Canadian assembly plant was established in Windsor, Ontario. In 1916, the first unit of the modern Hoover plant at North Canton, Ohio was started.

### Hoover Sales Convention in the 1920's

In this era, Hoover Sales Conventions started with a parade through North Canton, featuring state floats and festivities. In foreground here is California exhibit spot-lighting—of course—oranges.



And in 1919 it was decided to drop the manufacture of leather goods.

Also in 1919, a British affiliate was set up after a prolonged visit to England by H. W. Hoover. In its early years, this Company, Hoover Limited, imported its cleaners from the Canadian company. But in 1932 a Hoover plant was opened in Perivale, England. And during the 1920's and 30's, several other factories and sales companies were established in foreign countries.

By 1923 one million Hoover cleaners had been sold and annual sales volume had reached the \$10,000,000 level. By the beginning of World War II, more than five million cleaners had been sold and annual sales volume had reached a \$20,000,000 level.

### 1940-1954: postwar boom gives way to severe problems

From 1941 to 1945 the Company devoted itself to war production. In all, nearly \$100,000,000 worth of fuses, including proximity fuses (made to explode projectile anywhere in the close vicinity of a target), helmet liners, parachutes, and electric motors were produced for the war effort. The Company won every possible award (19 in all) for its wartime performance.

In 1943, Hoover shares were sold to the general public for the first time when the Hoover family made a secondary offering of part of their shares. A portion of the shares of Hoover Limited had already been sold to the British public in the late 1930's.

Hoover quickly reconverted to peacetime production in 1945, and labored mightily to meet the pent-up consumer demand. Total domestic sales reached a record of \$44,000,000 in 1947, when we made our first venture outside the floor care field by adding an automatic electric iron to our line.

Hoover Limited, which had also expanded tremendously to meet Britain's war production needs, also began diversifying its production in order to sustain its growth. It began the manufacture of fractional horsepower motors in a plant near Glasgow, Scotland, and successfully introduced to the British market a simple, inexpensive washing





machine which was produced in a new factory at Merthyr Tydfil, South Wales.

But in the late 1940's, the U.S. vacuum cleaner market changed from a condition of scarcity and great consumer demand to one of surplus and increased competition. Other companies began to produce less expensive, canister-type cleaners and captured a large share of the market. The Hoover Company also found that distribution through door-to-door salesmen was becoming more and more expensive. Sales and profits suffered.

#### 1954-1964: decade of growth and expansion

The year 1954 marked a reversal of this troublesome trend. The Company embarked upon an accelerating program of growth and expansion. In the ensuing decade, many new products were developed and introduced through dealers in the U.S., while the expensive door-to-door sales organization was disbanded. Hoover's lost share of U.S. vacuum cleaner market was recaptured and improved upon. New plants were established in Europe, Australia, South Africa, and Latin America.

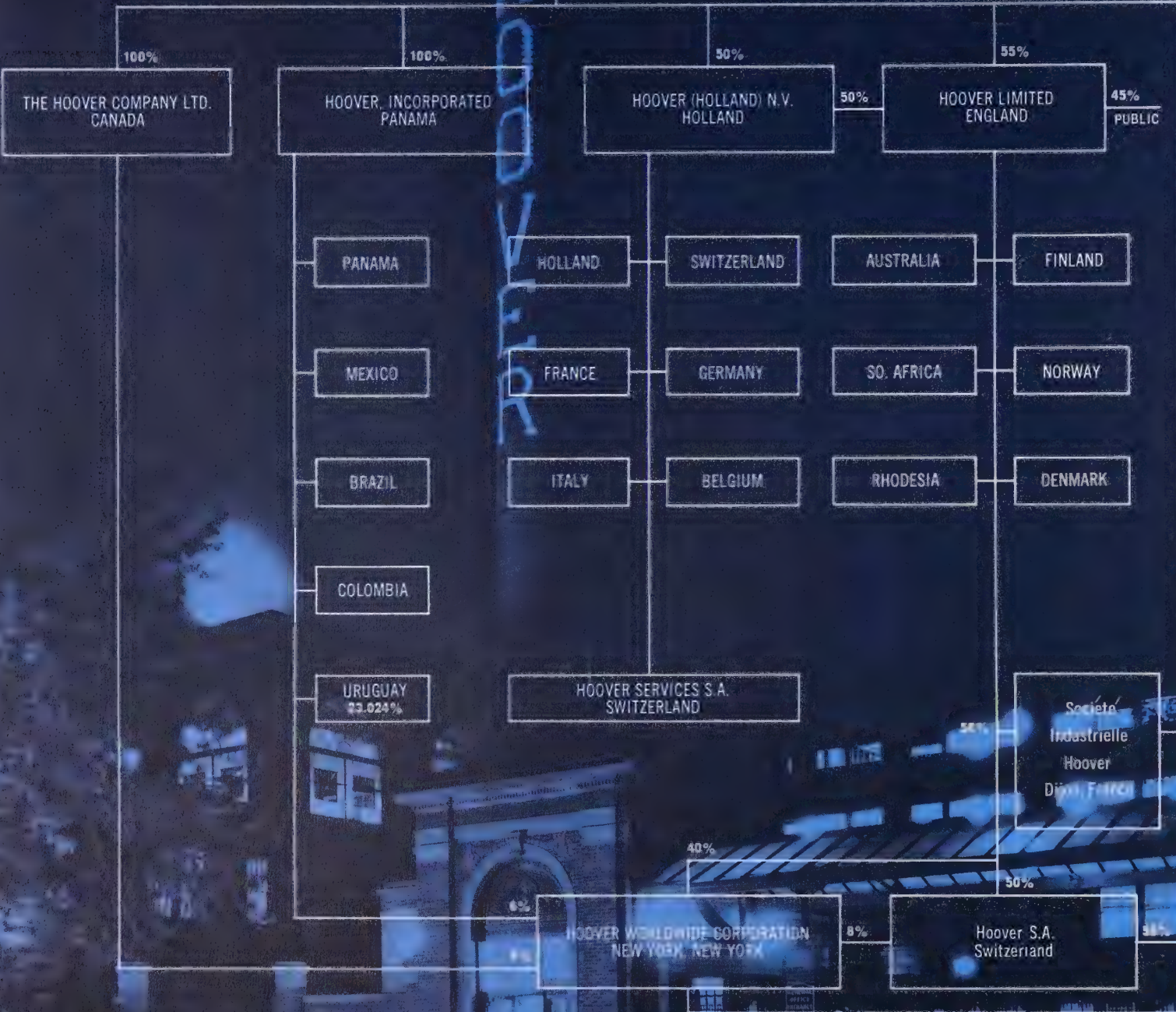
As a result, the Company today is the largest and most widely known manufacturer of vacuum cleaners in the world, and the second largest producer, in terms of units, of washing machines. We also produce an expanding line of other household appliances. Individual Hoover Companies have been set up in 20 countries, in 11 of which we have production facilities. On a worldwide basis, Hoover employs about 20,000 employees — and we sell our products in more than 100 countries.

#### Motor Assembly

Fractional horsepower electric motors being assembled in North Canton, Ohio plant for use in Hoover vacuum cleaners, and other appliances.



THE HOOVER COMPANY  
NORTH CANTON, OHIO



(All ownership 100% except as otherwise indicated)



## CONSOLIDATED CORPORATE STRUCTURE:

### binds together companies in 20 countries

Along with the rewards of being an international marketer, we have all of the complex corporate problems this entails. Overseas operations which started as simple sales points have grown into full scale marketing and production companies. And this organic growth has been, in recent years, supplemented by planned expansion. The results are shown in the accompanying organization chart, and explained in the text below.

#### U.S., Canada, and Latin America

Parent organization of the Hoover group is the U.S.A. founding firm, The Hoover Company, North Canton, Ohio. This company covers the U.S. market and also manufactures appliances and components for many of the overseas companies. The Hoover Company also owns 100% of the stock of The Hoover Company Limited, which covers the Canadian market.

U.S. Hoover also owns 100% of Hoover, Incorporated of Panama. This latter company owns 100% of the stock of Hoover companies operating in Panama, Mexico, Brazil, and Colombia, and 23% of the ordinary shares of a company operating in Uruguay.

#### Britain, its trading partners, and the commonwealth

The U.S. Company also owns 55% of Hoover Limited, England. This latter company, in turn, operates in the British market

and owns 100% of companies operating in Australia, South Africa, Rhodesia, Finland, Norway, and Denmark. And Hoover Limited, England, owns 50% (the U.S. Hoover Company owns the other 50%) of Société Industrielle Hoover, a manufacturing company located in Dijon, France, whose facilities were designed to produce for Hoover companies operating in the Common Market area. The British and U.S. companies also jointly own a Swiss company, Hoover S.A., which currently provides financial support to some of the European operating companies.

#### European common market

The U.S. Hoover Company and Hoover Limited, England, each own 50% of Hoover (Holland) N.V. This company in turn owns 100% of the marketing companies in Switzerland and five countries of the European Common Market: Belgium, France, Germany, Holland, and Italy. It also owns a second Swiss company, Hoover Services S.A., which provides advisory services to the six marketing companies and the French manufacturing company at Dijon.

#### Hoover Worldwide Corporation

Hoover Worldwide Corporation was formed in New York City in 1960 to furnish management and advisory services throughout the world for members of the Hoover Group.

### PRODUCT LINE: we develop a broad range

For the first forty years of its existence, the Company made and sold just one consumer item: the vacuum cleaner. But since 1947, Hoover has introduced more than 15 other consumer appliances and products — at an accelerating pace. Many of these give promise of making a substantial contribution to sales and net income.

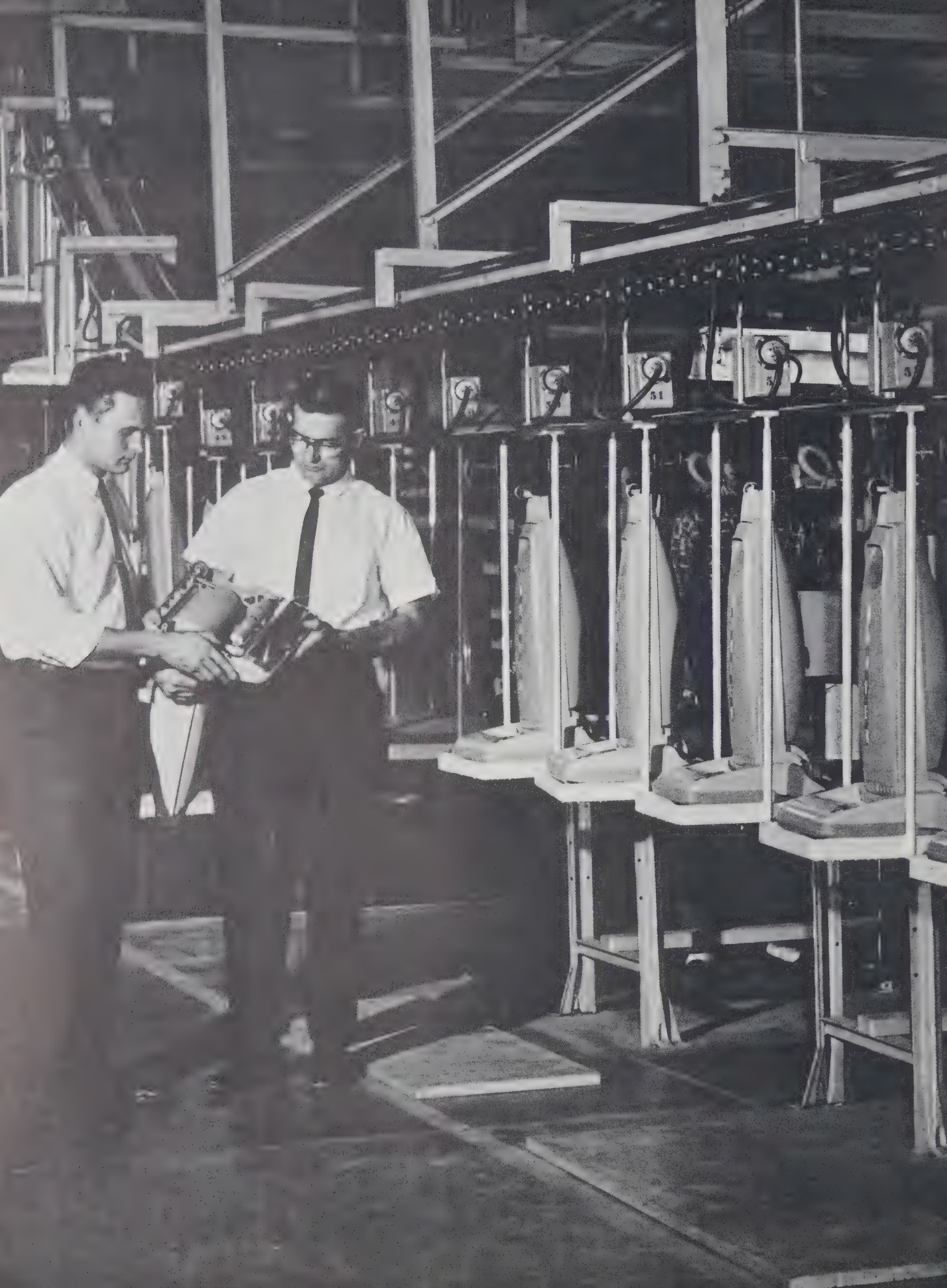
In deciding upon a new product, we study its compatibility with:

1. The existing product lineup
2. The Hoover distribution system
3. The Company's manufacturing processes

If a potential new product passes these criteria, we sometimes manufacture it initially in our own factories; or we sometimes have it manufactured for us by contract manufacturers in the test marketing stage. Of course, even at this stage, we see to it that our supplier's output of our product will uniformly meet our high quality standards. Ultimately, of course, our aim is to get sales volume up and production planned so it will be economically advantageous to manufacture the product in our own facilities—either by itself or in combination with other products requiring similar processes or equipment.

**North Canton Plant at Night**  
Background for this chart is a night view of the main entrance gate at our North Canton, Ohio plant and headquarters.







This seems an appropriate place to review the specific items in our product line. (The numbers in blue at the end of each product description key in to the numbers on the product pictures shown on the inside front covers.) Let us start with vacuum cleaners:

#### **vacuum cleaners**

The first Hoover vacuum cleaners gained immediate acceptance from housewives around the country because they were a definite improvement over both the hand or foot operated non-electric vacuum cleaners and the early, primitive electric vacuum cleaners then on the market. These Hoover cleaners had a combination of a belt-driven brush in the nozzle to tap the dirt loose and sweep the carpet, and a suction fan to pick up the dirt, a removable bag to catch the dirt, and an electric motor to power the whole operation. The basic machine was a 60 lb. upright model which evolved and grew more versatile with attachments and features added over the years.

In 1947, tank-type models were introduced to meet a growing demand for this kind of cleaner.<sup>6, 7</sup> Canister-type cleaners evolved out of this. And today Hoover markets eight distinctly different types of vacuum cleaners to fit every conceivable type of consumer use.

**1. Dial-A-Matic** — The most versatile and powerful Hoover cleaner, this upright model has a “power dial” that gives variable suction control for custom cleaning everything from deep-pile rugs to drapes and furniture; a “Time to Empty” signal which tells the housewife when to throw away the disposable dustbag; and a clean air system that filters the air three times before returning it to the room.<sup>18</sup>

**2. Convertibles** — These upright models have a 2-speed motor, an automatic adjustment to rugs of various thicknesses, and a 17 lb. weight that glides along on 4 friction-free wheels.<sup>8, 10, 11, 12, 19, 20</sup>

**3. Constellation** — This spherical cleaner floats on air — buoyed up by the exhaust air which exits through the base of the cleaner. This permits the Constellation to glide after you, and does away with the need for wheels or rollers.<sup>13, 16</sup>

**4. Slimline** — A lightweight, canister cleaner. An economy model that stores in the minimum of space.<sup>14</sup>

**5. The Lark** — A lightweight (7 lb.) upright cleaner designed for apartment use or as a second cleaner in large homes.<sup>21</sup>

**6. Portable** — A canister cleaner whose cord and hose—though they remain connected and ready to use—are enclosed with the tools in a portable case that looks like a piece of modern luggage. Stores in less than one cubic foot of space.<sup>15, 23</sup>

**7. Hand Held Cleaners** — Pixie and Dustette are designed as pickup cleaners to remove dirt from draperies, upholstery, stair carpeting, fixtures, cars, boats, and other hard to get at areas.<sup>1-5</sup>

**8. Commercial-Industrial Cleaners** — Two types of heavy duty cleaners are made for use in office buildings, stores, factories, and other commercial and industrial areas: large tank-type cleaners and powerful upright cleaners.<sup>9, 17</sup>

#### **other floor and carpet care equipment**

Hoover first began to branch out into other floor and carpet equipment in 1950 with the introduction of a floor polisher. The first models were imported from the Canadian and British companies. In the mid-fifties, we started the production of polishers in North Canton. Then began the progressive development of the versatile polisher-scrubber-shampooer line currently being sold. In 1959, we introduced an electric floor washer-dryer — the first of its kind. Later we introduced a floor wax and rug shampoo. This line now consists of these models:

**1. Floor Washer-Dryer** — This machine wets the floor with clean water and detergent, scrubs it thoroughly with nylon brushes, vacuum dries it. The large tank holds over 1½ quarts of water and detergent — enough to do two average sized floors.<sup>22</sup>

**2. Shampoo-Polisher** — This machine shampoos and foam-cleans rugs, scrubs floors, waxes them, and then buffs them to a gleaming finish. Can also be used to put a high shine on furniture and automobiles. A non-electric unit is also available.<sup>60, 61, 63</sup>

**3. Floor Polishers** — These polishers are designed to scrub floors, apply wax, and polish and buff the clean floors. And with available

#### **Quality Control Check**

Production line for upright vacuum cleaners, like all other Hoover appliances, is subject to rigid inspection and quality control.



accessories, they can be used for shampooing carpets.<sup>62, 64-66</sup>

**4. Sweep-All Carpet Sweeper** — First introduced in 1963, this carpet sweeper has a number of features not found in competitive models. It has 7 brush settings adjustable to the height of the carpet (including one for bare floors), and self-cleaning brushes.<sup>42, 43</sup>

**5. Commercial-Industrial Polishers & Floor Machines** — In addition to its broad line of polishers for home use, Hoover markets a range of heavy duty industrial and commercial floor care machines and accessories.<sup>59</sup>

#### floor and carpet care supplies

Hoover now markets a full line of cleaning agents. Included among these are a floor cleaner, a water base floor wax that can be used on any type of flooring, and a solvent base polishing wax specially formulated for use on wood floors. The line also includes a rug shampoo, and an upholstery shampoo (which is also sold with a handy applicator in an upholstery shampoo kit).<sup>47, 48</sup>

#### spin drying washer

First produced by Hoover Limited in the United Kingdom in 1948, this popular washing machine has made Hoover the second largest producer of washing machines (in terms of units) in the world. One of the most popular British models was imported into the United States for test marketing in 1963. Based on the enthusiastic consumer response, a production line has been set up in the

North Canton, Ohio factory for American production. This spin drying washer is being sold nationwide in department, hardware and appliance stores.

Only 29" wide and 16" deep, this Hoover washer is completely portable. It needs no special plumbing and is particularly ideal for small homes, apartments or rural communities. It washes, rinses, and spin dries a 6 lb. load in just 6 minutes. It is being made in two colors: white enamel and coppertone. Hoover Ltd. sells a broad line of washing machines ranging from a single model with a hand wringer to a fully automatic machine.<sup>49-58</sup>

#### kitchen appliances and utensils

**Can Opener/Knife Sharpener** — Two models of electric can openers were introduced in 1963 — one with a knife sharpener built in. Attractively designed to enhance kitchen decor, it incorporates such added features as extendible legs for opening tall cans.<sup>29, 30</sup>

**Stainless Steel-Lined Fry Pans** — Based on Hoover engineering's discovery of a new way to bond stainless steel to aluminum, this fry pan features an easy to care for cooking surface of lifetime stainless steel. It is completely immersible for easy washing.<sup>44</sup>

**Automatic Toaster** — This newly introduced Hoover appliance includes a model with an automatic lowering as well as an automatic pop-up device.<sup>32, 39, 40</sup>

**Automatic Coffeepot** — Stainless steel inside and out, the Hoover Coffeepot stays cleaner and lasts longer. It is completely immersible for easy washing. It brews a cup of coffee a minute up to a 9 cup capacity.<sup>28</sup>

#### other consumer products

**Steam and Spray Irons** — Hoover first introduced an automatic iron in 1947. Design improvements since then have culminated in several models of steam-dry irons and the new Steam-Dry-Spray Iron. Hoover's engineering development in bonding aluminum to stainless steel gives our irons light weight and a scratch proof ironing surface. These irons can be used as either a dry iron or a steam iron, and one model incorporates a special spray device.<sup>24-27</sup>

**Hair Dryers** — Introduced in 1963, Hoover hair dryers now come in three portable

#### Private-Label Appliances for J. C. Penney

During 1964, Hoover was selected to manufacture a line of private-label floor care equipment for J. C. Penney Co., chain store giant. Here some of Penney stock is being moved for shipment from our North Canton, Ohio warehouse. Among models is tank-type cleaner being manufactured for Penney at Hoover Limited's plant in Cambuslang, Scotland.





models featuring a plastic drying bonnet with hot air fed in through a flexible hose, and a semi-professional stand-up type which folds compactly when not in use.<sup>37, 41, 45, 46</sup>

**Shoe Shiner** — Just introduced, this electrically powered shoe brush comes attractively boxed, with polish and buffers.<sup>33, 35</sup>

**Upholstery Shampooer** — An electrically powered, hand operated appliance, it cleans and freshens furniture, upholstery, stair carpeting, automobile interiors, and a multitude of other surfaces.<sup>31</sup>

**Space Heaters** — Introduced in Britain in 1963, these tangential fan heaters are much more attractively designed than the conventional model. Their sales have so far been limited only by Hoover Limited's ability to supply the demand.<sup>34, 36</sup>

## industrial products

**Fractional Horsepower Motors** — On August 27, 1964, Hoover Limited's Scottish factory at Cambuslang, near Glasgow, produced its fifteen millionth fractional horsepower electric motor. In addition to supplying all the electric motors needed for Hoover Limited production, Cambuslang is also a supplier of fractional horsepower motors for other industrial customers.<sup>38</sup>

**Custom Die Casting** — The Company has extensive aluminum and zinc die casting equipment at its North Canton, Ohio plant, for use in the manufacture of many Hoover products. In addition, custom die castings for a variety of products—ranging from typewriters to automobile transmissions — are made for other manufacturers.

## 1964 OPERATIONS:

*Note:* Operating figures reflected in this section are on an individual country basis before consolidation adjustments.

### U.S. operations continue at high level

Both sales and earnings for The Hoover Company (U.S.) reached an all-time high in 1964. Sales rose from \$61,926,930 in 1963 to \$66,658,534 in 1964. Earnings after taxes rose from \$9,937,359 to \$10,429,239. Earnings per share advanced to \$1.53 from \$1.46, as previously mentioned on page 3.

These increases reflected a broadened product line, an intensified sales campaign, and more efficient marketing methods. Manufacturing and merchandising costs of The Hoover Company, as a % of net sales, have declined from 84% in 1954 to 72% in 1959, and 70% in 1964. A good share of the fruits of this increased efficiency was passed along to the consumer in the form of lower prices as can be seen in the chart on page 30. This strategy enabled us to increase our share of the appliance market, as well as to increase the total number of sales dollars we received.

Hoover vacuum cleaner sales in 1964 bore out this trend. They were up substantially over 1963, in number of units. As a result, we were again able to increase our share of the U.S. vacuum cleaner market.

As we mentioned previously in the Product

section of this report, 1964 saw the conclusion of a highly successful test market campaign in the U.S. for the spin drying washer developed by Hoover Limited of Great Britain. By the year end, we had a washing machine assembly line in full operation at our North Canton, Ohio plant — thus laying the groundwork for increased production and sales of washing machines in 1965.

Sales increases were the general rule for our floor care appliances in 1964. Our smaller traffic appliances showed increased sales, too—even for products like hair dryers, where we successfully bucked a downward industry trend.

In 1964, The Hoover Company invested about \$3,055,000 in property, plant, and equipment. A good proportion of this expenditure was made in setting up facilities for the manufacture of washing machines and other new products. In addition, we completed and moved into 250,000 square feet of manufacturing and warehouse space in a new building at our North Canton plant. This will centralize all storing, shipping, and receiving — and enables us to vacate rented warehouse space and reduce handling costs. We now have a total of about 1,100,000 square feet of office and plant space in North Canton and Canton, Ohio. In addition, the Company has been acquiring land for future expansion.

Given a continuance of present national







economic trends, we expect to show a significant increase in sales and earnings in 1965. A major sales effort for our spin drying washer and continued improvements in and emphasis on our vacuum cleaners and other appliances in our floor care line should lead the way. In addition, our line will be broadened by major sales efforts for seven new or redesigned products: a stainless steel-lined fry pan, an automatic toaster, a shoe-shiner, an upholstery shampooer, a steam-dry-spray iron, a multi-speed polisher-scrubber, and an improved version of the Hoover portable canister cleaner with cord reel.

#### Canadian operations in 1964

Sales of The Hoover Company Limited, Canada, increased about 23% in 1964. Profit after taxes increased about 13%.

The Hoover Company Limited manufactures and sells household appliances in Canada. Among its products are vacuum cleaners, polishers, washers, irons, can openers, hair dryers, shampooers, carpet sweepers, paper bags for cleaners, and die castings. The introduction of a Canadian-made washing machine in 1964 was a helpful factor in bringing about the Company's healthy sales and profit increase. A further expansion of washing machine sales is anticipated for 1965. In addition, the introduction of new products — a fry pan, upholstery shampooer, and shoeshine kit — will further broaden our Canadian product line.

The Hoover Company Limited had record capital expenditures in 1964. A major item was the purchase of an 85 acre industrial site on Queen Elizabeth Way at Burlington, Ontario. This will be used as the site for a new Hoover plant, since our present location in Hamilton, Ontario does not permit further extension of existing facilities. The present plant has about 126,000 square feet of space.

#### Latin American operations 1964

**BRAZIL:** Hoover Brasileira S.A., Sao Paulo, Brazil showed a more than 20% increase in sales in 1964. We produce and sell washers and irons in Brazil. The Company was severely handicapped by import and foreign exchange restrictions, devaluation of the currency, and shortage of electric power. As a result of exchange losses and interest on

dollar obligations to affiliated companies the Company showed a loss in 1964. However, the long term outlook in Brazil is very favorable in view of the rapidly increasing urban population and the development of a middle class having the means to purchase household appliances. A more stable government and bettering economic conditions in Brazil, plus the introduction of new products, should give us immediate benefits in 1965, too.

**COLOMBIA:** Our Colombian affiliate, Hoover Industrial Y Comercial, S.A. of Bogota, also reported a favorable trend for 1964. While sales were up about 6%, profit after taxes increased by a somewhat greater percentage.

Our Colombian company at present is concentrating on the production and sale of washing machines. Operations in 1964 were somewhat handicapped by import restrictions — but the broadening of our manufacturing facilities in Colombia is making the plant less dependent on imports of components. As a consequence, sales and profits in 1965 should continue the upward trend.

**MEXICO:** Good progress was also reported for 1964 by our Mexican affiliate, Hoover Mexicana S.A. de C.V., Mexico City. The Company's sales increased 28% and profit after taxes increased 86%.

Hoover Mexicana produces vacuum cleaners and washers, and sells them plus an imported line of polishers, floor washers, and irons. In 1964, the Company was able to increase its share of the very competitive local market in washing machines and vacuum cleaners. Further sales increases are expected in 1965, as well as additional sales volume from the introduction of new appliances.

Because of the broadening of our Mexican manufacturing operations and the increasing demand for Hoover products, the present manufacturing facilities will be enlarged. A building program in several stages has been drawn up, with the first step to be taken in 1965. It is expected that this expansion program can be financed by internally generated funds in Mexico.

**PANAMA:** Hoover (America Latina) S.A., Panama, which services a number of Latin American markets, suffered a drop in sales

#### Producing Plastics For Hoover Products

Visual evidence of Hoover's growing use of—and investment in—plastics is this view of one of our battery of highly automated plastic molding machines, with its woman operator.



in 1964, and as the result of the write-off of royalties accrued in prior years had a loss. Restrictions on imports, shortage of foreign currency, higher living costs and increased competition from locally made products in the markets to which we export have all affected sales adversely. We shall continue to develop our export markets in Latin America and look for some improvements in 1965. We recognize, however, that the principal countries must ultimately be served by local manufacture and we are currently making studies as to the feasibility of making further investments in manufacturing facilities in this area.

Hoover (America Latina) is a service and management company for all Latin American companies controlled by the Hoover Group. It also sells British, U.S., and Brazilian manufactured household appliances and parts to affiliated companies, distributors, and dealers in Latin America. Its income is derived from sales, service fees, and licensing royalties.

#### **operations of Hoover Limited**

1964 was a rough year for the British appliance industry, marking the failure of two companies prominent in the washing machine business, plus special streamlining problems for Hoover Limited, our British affiliate. Withal, Hoover Limited sales were down only 1%. Profits after taxes were up 6%.

An industry-wide drop in sales in the summer and fall of 1964, due to a change in economic conditions, and unparalleled severity of competition were two external factors that Hoover had to contend with. We made sizeable reductions in prices on some of the leading models in our vacuum cleaner and washing machine lines both to meet and to lead our competition—and thus ended the year with an increase in our share of the market. Hoover Limited accounts for about 50% of the vacuum cleaner sales in the domestic British market, about 90% of floor polisher sales, and nearly 40% of all washing machine sales. We also produce and market irons, fan heaters, and other appliances for the local market.

The Company is the most important *exporter* of household appliances in the United

Kingdom. About three-fourths of all vacuum cleaners, washing machines, and floor polishers exported by the United Kingdom bear the Hoover name.

Hoover Limited's excellent sales performance in 1964 was achieved despite the changeover, mentioned previously, from selling through our own staff of door-to-door salesmen to disbanding this staff and selling through dealer stores. This reduced the total number of Hoover employees in the United Kingdom by 20%, from 15,000 to 12,000, despite the fact that employment in our factory groups reached new record figures.

Our regret over the departure from the Company of many excellent sales and service personnel was matched by our pleasure that so many of them are continuing their association with the Company by selling or servicing our products in association with our dealers. And, of course, the big cut in non-factory personnel means a substantial cut in overhead costs for Hoover Limited, in 1965 and the years to come.

In 1964, Hoover Limited introduced several new model vacuum cleaners, washing machines and fan heaters. Also notable was the production during the year by our Cambuslang, Scotland, factory of its fifteen millionth fractional horsepower motor, as mentioned previously in our product section. In addition to their use in Hoover appliances, these electric motors are sold to other manufacturers.

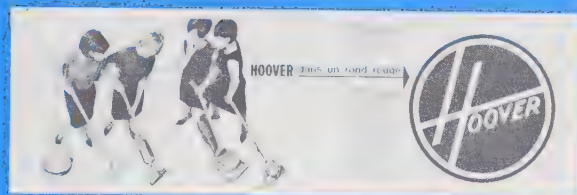
Hoover Limited has factories in England, Scotland, and South Wales, totaling about 1,800,000 square feet of floor space, including a highly automated washing machine complex at Merthyr Tydfil, Wales. A multi-story extension of the factory at Perivale, England, was completed during the year. Plans have been drawn for an extension of the Cambuslang factory, and work is under way on a large and highly mechanized warehouse adjacent to the High Wycombe factory in England.

#### **the EFTA countries**

Just as Britain itself is associated with a number of Continental countries in the European Free Trade Area, Hoover Limited has subsidiaries in a number of these countries.



# Hoover advertising around the world



France



Germany



Venezuela



Hoover advertising wins professional recognition, as well as influences customers. Mary Bates-Sammy Yee ad, which appeared in September 26th issue of **The New Yorker** magazine, won prize in Advertising Federation of America contest—as have other Hoover ads.

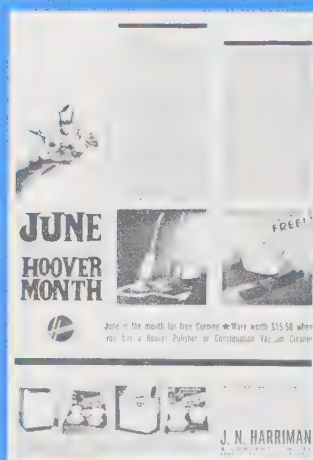
Italy



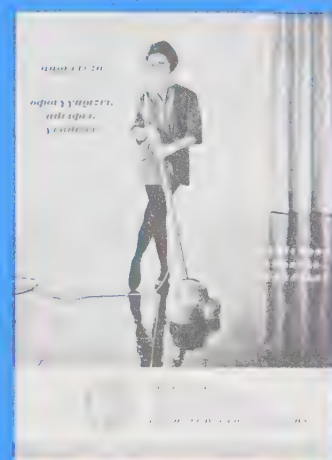
Great Britain



Denmark



West Indies



Greece



United States



Austria



DENMARK: One of these is Hoover El-Udstyr A.S., Copenhagen, Denmark. This company, which imports and sells in Denmark such Hoover products as washing machines, vacuum cleaners, polishers, and irons—increased its sales by 64% in 1964. Profits—nominal in 1963—showed a healthy 349% increase.

NORWAY: Our affiliate is Hoover Norsk A/S of Oslo. This company, which imports and sells Hoover products, showed an increase of 34% in sales in 1964. Profits also showed a very nice increase of 56%.

FINLAND: Our affiliate is Hoover Oy, of Helsinki. This company manufactures, as well as imports and sells, Hoover products in Finland, and exports to Sweden. Though Hoover Oy's sales dipped 3% in 1964, profits showed a 6% increase. Higher sales and profits are expected in 1965, helped by a new activity—exporting washing machines to Sweden—as well as the introduction of new products.

#### **the commonwealth countries**

AUSTRALIA: Hoover (Australia) Pty. Ltd. of Sydney is a wholly owned subsidiary of Hoover Limited. It manufactures and sells washing machines, vacuum cleaners, polishers, and steam irons. 1964 sales increased more than 15% over 1963. Profits also showed a healthy 46% increase.

As a result of the changeover to the direct dealer plan, Hoover (Australia) has also been moving to acquire several of its independent distributors. This change is expected to result in higher sales and profits. In addition, a company engaged in the refinancing of installment sales of dealers, Consumer Credit Corp. Pty. Ltd., Melbourne, has been acquired. This Hoover-controlled finance company is expected to increase the competitive strength of our dealers, helping them to increase their sales and profits, thus helping our own activities.

SOUTH AFRICA: In Johannesburg, our affiliate is Hoover S.A. (Proprietary) Ltd. With a factory completed in 1963, this company manufactures vacuum cleaners, washing machines, and polishers, and imports some types of vacuum cleaners and irons. Though its sales were off by some 11% in 1964, profits increased 84%. They benefited from

the advantages of local manufacturing, plus the cut in sales force achieved in switching over to the Dealer Plan.

RHODESIA: Hoover (Rhodesia) (Private) Ltd., of Bulawayo, imports and sells Hoover vacuum cleaners, washing machines, polishers, and irons. Sales were off about 15% in 1964 but profits showed a 19% increase. The 1964 sales drop was largely due to the out-flow of Europeans because of growing political and racial tension. Total Hoover investment in Rhodesia is relatively small, but the Company hopes that conditions will improve—making it possible to continue normal sales growth.

#### **the European common market and Switzerland**

BELGIUM: Brussels is the headquarters of L'Etablissement Hoover S.A., which imports and sells Hoover vacuum cleaners, washers, polishers, and irons. Its sales increased 17% in 1964 and profits showed a very substantial 441% increase.

FRANCE: Our affiliate is Etablissements Hoover S.A., Paris. This company sells Hoover washing machines, vacuum cleaners, floor washers, polishers, and irons. Sales and profits for 1964 were adversely affected by an economic recession in France and restrictions placed on the installment sales of consumer appliances. As a result, sales fell about 7%. Profits were off 19%.

1965 sales and profits are expected to benefit from the coming on stream of Société Industrielle Hoover, Dijon, France, which will be making washing machines and polishers for all our European Common Market affiliates and for export to other areas as well. As a result of the construction of this plant, Hoover Etablissements' plant in Le Havre was shut down in 1964, and is presently being used for warehousing.

GERMANY: Our affiliate is Hoover G.m.b.H. with headquarters in Dusseldorf. This company imports and sells Hoover vacuum cleaners, washing machines, polishers, floor washers, and irons in Germany. Though its sales were off roughly 8% in 1964, profits increased 56% as the result of the introduction of improved marketing techniques. A substantial increase in both sales and profits is forecast for 1965.



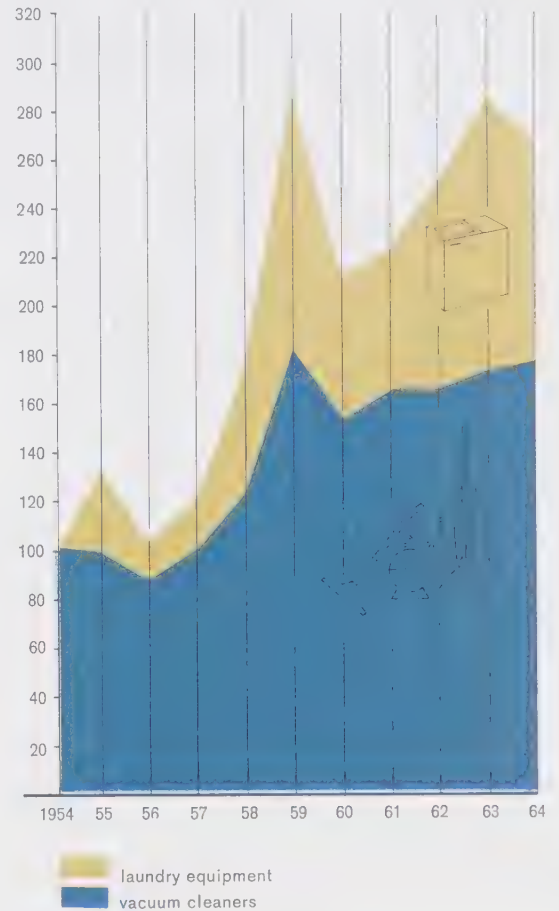
**HOLLAND:** Our affiliate is De Hoover Handelmaatschappij N.V. in Amsterdam. Sales increased 13%. A loss was incurred in 1963 and 1964 but this company is in an improving trend and a profit is expected in 1965.

**ITALY:** Our affiliate is Hoover Italiana, S.p.A., with headquarters in Milan. This company imports and sells Hoover vacuum cleaners, washing machines, polishers, floor washers, and irons. As a result of an economic recession in Italy, sales were off 23% in 1964. The company also operated at a loss for the year, caused in part by the competition of Italian-made household appliances sold at extremely low prices. In 1965, Hoover Italiana will be able to replace some of its imported household appliances—which incur very high duty rates—with products from Hoover's Dijon Common Market factory, upon which duty is much lower, and products from local suppliers. This is expected to lead to higher sales and profits.

**SWITZERLAND:** Our affiliate is Hoover Apparate A.G., with headquarters near Zurich. This company imports and sells Hoover vacuum cleaners, washers, and polishers. Its sales in 1964 increased 9%. Profits after taxes showed a 50% increase. A further increase in sales and profits is forecast for 1965 because of the relatively high standard of living and strong financial position of Switzerland.

## Hoover Limited has healthy trend in laundry equipment and vacuum cleaner sales

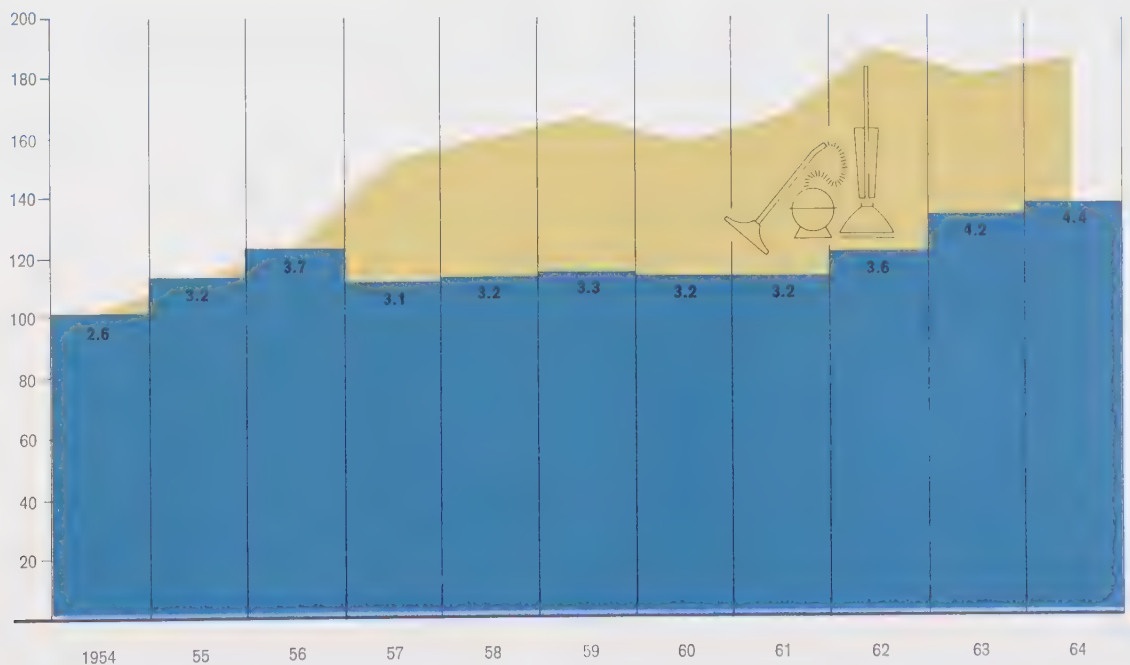
Sales Dollar Index for two products of Hoover Limited  
1954 = 100



## Hoover gets larger share—as U.S. vacuum cleaner market expands

The Hoover Co.  
(domestic only)  
vacuum cleaner sales —  
% of market expressed as  
an index 1954 = 100

U.S. vacuum cleaner sales  
(in millions of units)











## RESEARCH AND DEVELOPMENT: engineering department has long list of achievements

The Hoover Company's interest in, and investment in, Research and Development goes back practically to its founding. In 1909 the Company inaugurated an engineering and design development program through a contract with an engineering consultant. This proved so worthwhile from the standpoint of improving the product, both in features and quality, that shortly thereafter a Research and Development Department (that is, an Engineering Department) was organized within the Company. The Hoover Engineering Department grew over the years. In the 1920's the Hoover cleaning principle, "It Beats As It Sweeps As It Cleans," was significantly improved by the invention of the rigid bar agitator, thereby giving Hoover an exclusive patented feature.

Today 420 Hoover people are engaged in engineering, research, and development activities. They are concerned with product innovation, product improvement, and quality control of products and components—whether manufactured by or for the Company. The Engineering Division at North Canton, Ohio works closely with other Hoover companies—particularly with the large engineering staff maintained by Hoover Limited in England.

Among recent Hoover R&D achievements is the first upright cleaner with the "above floor" (cleaning tool) cleaning efficiency of a canister cleaner, first canister cleaner with hose always connected and with hose, cord and tools all stored within the cleaner, a cleaner that floats on air, and a new way to bond stainless steel to die cast aluminum providing a product advantage for Hoover on irons and fry pans. Some of this has resulted in cooperation with other organizations in such research: one with the U.S. Department of Agriculture on the development of a machine for washing cotton carpeting in homes, and another with the American Carpeting Institute on other carpet cleaning problems.

Other R&D projects are designed to keep the Company in the forefront of new product development. In this area, the Engineering Division is working on the development

of battery powered vacuum cleaners and other appliances. It is also looking into entirely new ways of cleaning, employing electrostatic and ultrasonic methods.

### basic research on dirt

In addition to using our own considerable technical resources and equipment, Hoover also commissions outside research projects when that seems advisable. One such was a basic research project on the fundamental nature of dirt: how it is produced and deposited, how various surfaces affect dirt formation, what are the bonds between dirt and the surface it adheres to, and how can these bonds best be broken for dirt removal. These studies were assigned to the Battelle Memorial Institute, which carried them out at both its Columbus, Ohio headquarters and at its Frankfurt, Germany laboratory. In the latter place, we were able to get the advantage of a fresh European approach to the problem and the employment on the project of an advanced electron microscope installation.

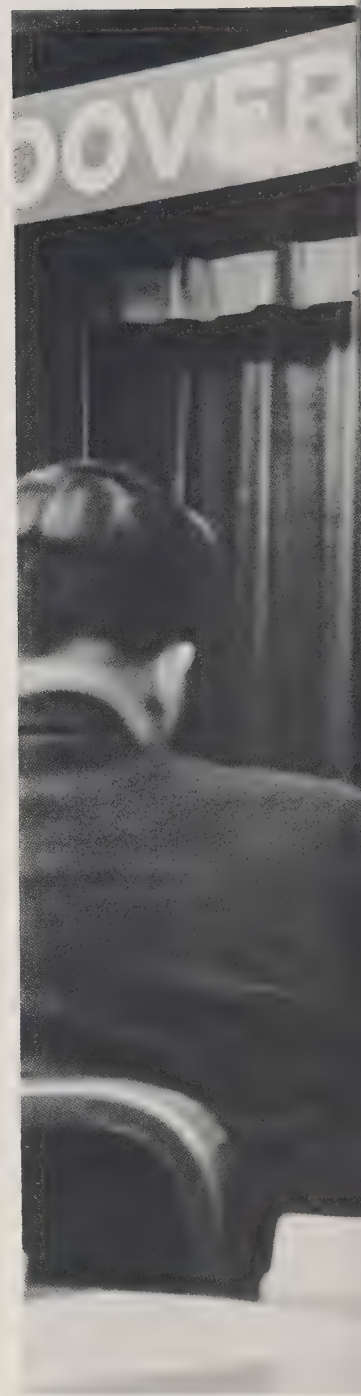
The results, though stimulating, have not resulted in the development of any radically new appliances for cleaning. But they have had a significant impact on Hoover's design of new models of vacuum cleaners, rug shampooers, and washing machines. And although Battelle's participation in the program has come to an end, we are doing further research—on the fundamental nature of dirt and methods of dirt removal—on a continuing basis in our own laboratories.



**New Product Development**  
Product Engineering Staff at North Canton, Ohio, discusses development of new appliance model. They must visualize and solve problems of design, materials, production layout and manpower utilization at this early stage in the life of a product.

**First Stage: the Drawing Board**  
Drafting room of Hoover's Product Engineering Staff. Before a product can get to the model stage pictured on the opposite page, detailed drawings must be developed by our staff of draftsmen.





**Hoover Sales Meeting—  
Today's Style**

Gone are the parades and the floats of yesteryear. But there is still color and drama at a Hoover sales meeting—and representatives go back with not only the latest in product information but also with an enthusiasm to meet new sales goals. Demonstration at right is of new hair dryer model.



## MANAGEMENT AND OTHER PERSONNEL: the quest for quality performance



As we mentioned earlier in this report, our 1970 goal is \$500,000,000 in consolidated sales for the Hoover Group, a doubling of this year's total in six short years. To reach this goal, and shorter term goals en route, will demand a high level of leadership from Management and more than routine performance by all other personnel down the line.

The top management of the Hoover Group is in the hands of 17 men with years of experience in the appliance industry. Nevertheless, this is a youthful group whose average age is 47. The following thumbnail biographies of these men will give you an idea of their responsibilities and achievements.

### functions of Hoover worldwide corporation

In addition to serving in their national companies, some of the key executives are also active in Hoover Worldwide Corporation — formed in 1960 to furnish management advisory services to Hoover companies throughout the world. Its specific responsibilities are:

- To assist Hoover companies in carrying out overall Company Policies
- To evaluate governmental, social, economic, and competitive forces as they affect the affairs of the Hoover companies
- To foster the growth of effective, resourceful, and responsible management, and to provide for management succession
- To advise on goals and planning assumptions, and on the establishment of performance standards
- To assist local managements in such areas as marketing in all of its aspects, the development and use of financial controls, salary and wage administration, fringe benefit plans, legal and tax matters, insurance, administrative procedures, foreign exchange problems, credit control, etc.

One of Hoover Worldwide's major achievements to date has been the initiation

of a program of accounting standardization for all Hoover companies, with the attendant benefits of faster and more accurate information flow for reporting and planning. Another achievement has been the stimulation of all companies in the Hoover Group to make the changeover from the costly house-to-house salesman distribution system to the more efficient dealer setup, and direct assistance in putting the new plan into effect.

### management training programs

To supplement natural growth of executive ability, the Company has devised the Hoover Management in Action Program—a development program for managers throughout the organization. The first segment of this program is an 8-session course based on six films produced specifically for Hoover. Other materials are being developed to make this a continuing program. It is already being extensively used in The Hoover Company (U.S.A.), and ultimately will spread throughout the worldwide organization.

Measures have also been taken to enlist the creativity of other Hoover employees. One highly successful device in this area has been The Hoover Company's suggestion system, which has been bringing in meritorious ideas from employees, and rewarding them for these, for over 34 years.

### new labor contract signed

On February 15, 1964, The Hoover Company and Local 1985 of the International Brotherhood of Electrical Workers, AFL-CIO, reached agreement on a new 2-year basic labor contract running to March 1, 1966. It was further announced that a new 4-year agreement has also been reached covering a revised Pension and Insurance Plan, extending to March 1, 1968. These two agreements cover more than 1300 union production and maintenance employees at the Company's North Canton and Canton plants.



### Herbert W. Hoover, Jr.

Mr. Hoover is the President and Chairman of The Hoover Company and also of Hoover Worldwide Corporation. He is Chairman of Hoover Limited, the British subsidiary, and President of The Hoover Company Limited in Canada and Hoover, Incorporated and Hoover (America Latina) S.A. in Panama. In addition he holds the title of President and/or Director in various other foreign subsidiaries.

In these several capacities Mr. Hoover is the chief executive officer and responsible for all Hoover operations, both foreign and domestic.

Mr. Hoover joined The Hoover Company in 1941 in the sales division. His business career was interrupted by a tour of duty in the military services from 1943 to 1945. Following the war he was active in various management capacities, becoming Executive Vice President in 1953 and President in 1954. Mr. Hoover was born in 1918.

### Felix N. Mansager

Mr. Mansager is Executive Vice President, a Director and member of the Executive Committee of The Hoover Company, Executive Vice President and Vice Chairman of the Board of Hoover Worldwide Corporation, Director of Hoover Limited and also an officer and/or Director of various other foreign subsidiaries.

Reporting to the President, Mr. Mansager is responsible for all Hoover operations, both foreign and domestic.

Mr. Mansager has been with the Company since 1929. He was General Sales Manager prior to being elected Vice President, Sales, in December 1959. He was elected Executive Vice President, April 1961. In July 1963, he was elected Executive Vice President of Hoover Worldwide Corporation and Vice Chairman of its Board in January of 1964. He was born in 1911.

### Irvin A. Powers

Mr. Powers is Senior Vice President and a Director of Hoover Worldwide Corporation, and a Director and member of the Executive Committee of The Hoover Company. He is also an officer and/or Director of various other foreign subsidiaries.

Reporting to the Executive Vice President, Mr. Powers is concerned with over-all policy, and in providing assistance by Hoover Worldwide Corporation to the operating companies in such areas as investment, finance, forward planning, corporate organization, dividend policy, legal and tax matters, licensing and administrative matters.

Previously associated with the investment counsel firm, Scudder, Stevens & Clark, Inc., Mr. Powers joined The Hoover Company in June, 1954. He was elected Vice President and Director in April of 1955. In 1961 he was elected Vice President of Hoover Worldwide Corporation and in 1964 was appointed to his present position. He was born in 1911.

### Fred L. Tabacchi

Mr. Tabacchi is Senior Vice President and a Director of The Hoover Company. He is in charge of all domestic operations and the coordination of the activities of The Hoover Company with those of The Hoover Company Limited in Canada. He is also a Senior Vice President and Director of Hoover Worldwide Corporation, and an officer and/or Director of several foreign subsidiaries.

Mr. Tabacchi began his activities with the Company in 1937 and has served in various capacities such as Campaign Salesman, District Manager, Branch Manager, Division Manager. In 1962 he was named General Sales Manager. In 1963 he became Vice President Marketing, and in 1964 was appointed to his present position. Mr. Tabacchi was born in 1917.

### Gwynne L. Lloyd

Mr. Lloyd is Managing Director of Hoover Limited. Reporting to the Deputy Chairman, Mr. Lloyd has responsibility for all operations in the United Kingdom. He has just been appointed to this position, succeeding Mr. Arthur F. Earle who has accepted the post of Principal of the government and industry supported London Graduate School of Business Studies.

Mr. Lloyd, a Chartered Accountant, joined Hoover Limited in 1958. Prior thereto he held several responsible accounting and administrative positions. With Hoover he has had a broad experience in the sales and export divisions, having advanced from an executive position in sales administration to Branch Manager, head of export sales and Sales Manager. He was born in 1924.

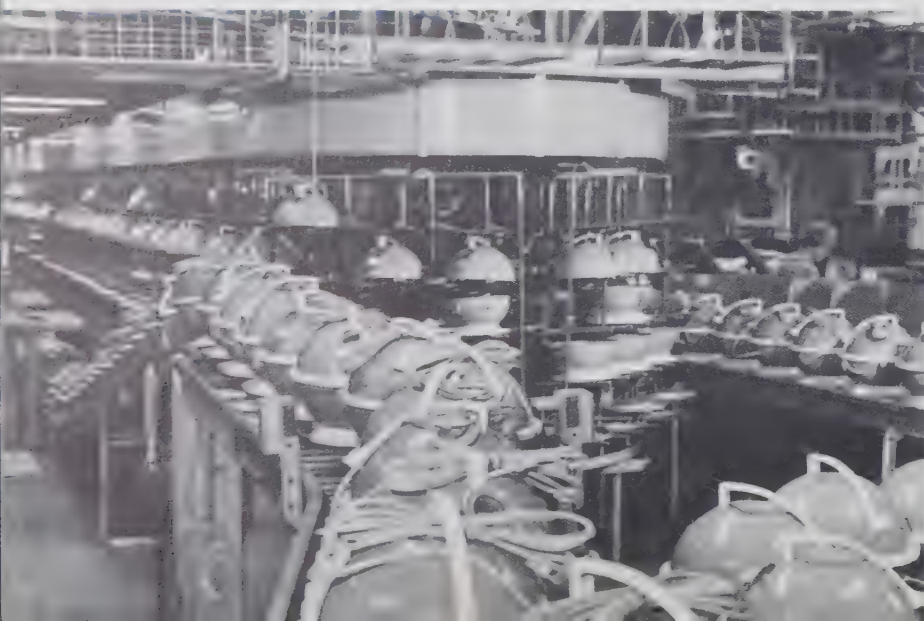
### James A. Goodson

Mr. Goodson is the Directeur (equivalent to President) of Hoover (Holland) N.V. He is also the President and a Director of Hoover Services S.A. and Hoover S.A. in Switzerland. He is responsible for all operations in the Common Market and Switzerland, and for the provision of management support by Hoover Services S.A. to the Common Market and Swiss companies.

Mr. Goodson was formerly with Cie Francaise Goodyear S.A. in Paris and joined The Hoover Company in 1963 in his present position. He was born in 1921.

### Carrousel for Constellations

Circular (carrousel) assembly line speeds production of Constellation model vacuum cleaner — the globe shaped Hoover cleaner that floats over carpets on its own exhaust air stream.





#### **Eugene O. Hatfield**

Mr. Hatfield is Executive Vice President of Hoover (America Latina) S.A. and is in charge of all Latin American operations.

Mr. Hatfield has been with the Company since 1948, was appointed Branch Manager in 1960 and Division Manager in 1961. He was advanced to his present position in 1964. He was born in 1920.

#### **Joseph S. Hoover**

Mr. Hoover is Vice Chairman and Secretary of The Hoover Company and a member of the Executive Committee.

Mr. Hoover began his career with The Hoover Company as a salesman, later advancing to Sales Supervisor. In 1949 he became Manager Dealer Relations. In 1954 he was appointed Assistant Vice President Dealer Relations and Manager of Public Relations Department. In 1956 he became Vice President and Secretary, and in 1962 was appointed to his present position. He was born in 1916.

#### **Gordon G. Bettis**

Mr. Bettis, Vice President-Marketing, is in charge of domestic marketing activities for the Company.

Mr. Bettis has been with the Company since 1940. Among the positions he has held are Branch Manager at Washington, D.C., in 1955, Division Manager at New York in 1959 and at Cleveland in 1961. In 1963 he was appointed Field Sales Manager, and advanced to General Sales Manager in early 1964. In June was appointed to his present position. He was born in 1918.

#### **G. Pierce Daiger**

Dr. Daiger is Vice President-Engineering of The Hoover Company, in which capacity he is responsible for all engineering activities of The Hoover Company, including the Patent Department. He is also responsible for coordination of The Hoover Company's engineering program with the engineering activities of subsidiary companies.

Dr. Daiger joined the company in 1932 and served in various capacities in the engineering division until 1940, when he was appointed Director of Laboratories. In 1952 he was appointed Assistant Vice President in charge of engineering, and was promoted to his present assignment in 1954. He was born in 1909.

#### **Merle R. Rawson**

Mr. Rawson is Vice President and Treasurer of The Hoover Company and Treasurer of Hoover Worldwide Corporation. As such he is the chief financial officer for the entire Hoover group of companies.

Formerly associated with the Murray Corporation, he became affiliated with The Hoover Company as Budgetary Control Manager in 1961. From 1962 until 1963 he was Controller of the Company, and then became Controller and Assistant Treasurer. In the early part of 1964 he became Treasurer and Controller, and in June of this year was named to his present position. He was born in 1924.

#### **C. Gordon Troxler**

Mr. Troxler is Vice President-Corporate Development and a Director of The Hoover Company. He is responsible for exploring acquisition possibilities, for the procurement of new products and for the selection of new plant locations.

Mr. Troxler joined the company in 1934. In 1948 he became Assistant Vice President Production and in 1950 was appointed Director of the company. He became Vice President-Production in 1952 and in 1963 was appointed to his present position. Mr. Troxler was born in 1904.

#### **William H. Wells**

Mr. Wells is Vice President-Production of The Hoover Company.

Formerly associated with General Electric Company, Mr. Wells joined The Hoover Company in February of 1963 as Operations Manager. In July, 1963, he was appointed Vice President-Production. Mr. Wells was born in 1920.

#### **Robert L. Winegard**

Mr. Winegard is Controller for The Hoover Company.

Mr. Winegard joined The Hoover Company Limited in Canada in 1947 as Assistant Accountant, and became General Accountant in 1949. In 1952 he was appointed Controller and in 1956 became Treasurer and Controller and a Director. In 1964 he was transferred to North Canton and his present position. He was born in 1925.

#### **Herbert D. Vigers**

Mr. Vigers is Secretary and Director of Hoover Limited. In such capacity he is responsible for all financial matters in Hoover Limited and its subsidiaries.

Mr. Vigers has held senior financial posts in the company for 28 years. He was Secretary of the Company for ten years prior to being elected to the Board in 1964. He was born in 1908.

#### **Frans L. Smekens**

Mr. Smekens is Financial Control Manager for Hoover Services S.A., in which capacity he provides support to the financial departments of the Hoover marketing and manufacturing companies in the Common Market and Switzerland.

Mr. Smekens joined Hoover in 1946 as Accountant for the Belgian company. He became Administrative Manager for Hoover Belgium in 1959. He was named to his present position in 1960. He was born in 1922.

#### **Gerald D. Longe**

Mr. Longe is Vice President and Treasurer of Hoover (America Latina) S.A.

Mr. Longe was an accountant in Texas from 1952 through 1961, then joined the Singer Sewing Machine Company. He came to the Company in February, 1964, as Controller, and in October was appointed to his present position. He was born in 1920.







## FINANCIAL REVIEW: income and balance sheet items at high levels

Though we have developed consolidated worldwide figures for the Hoover Group for only the past 3 years, we can surmise that 1964 set all-time records in a number of categories — including consolidated sales, profits before taxes, taxes, and profit per share of The Hoover Company (U.S.).

### accelerated depreciation cuts profits

Reported earnings have been diminished in recent years—though cash flow increased—by plant expansion using a maximum depreciation policy. In the U.S. and in the United Kingdom depreciation charges have increased as follows:

(All Amounts in \$ Thousands)

	<i>United States</i>	<i>United Kingdom</i>
1954	\$ 534	\$2,459
1959	657	3,897
1964	1,928	4,709

Despite the impact of the maximum depreciation policy on earnings of The Hoover Company (U.S.), 1964 saw records set in all important categories. Sales rose about 8%. Dividends from foreign subsidiaries decreased nominally. But net earnings after taxes inched forward to a new high, despite the extra cost entailed in setting up a new production line in North Canton, Ohio to manufacture the spin drying washer for the U.S. market.

### stock split—dividends increased

At the annual meeting of April 30, 1964, shareholders approved the Directors' recommendation of a one for one share dividend. This move was made to broaden ownership of the Company. Dividends paid to stockholders of The Hoover Company have risen steadily from 18¾¢ per share in 1954 to 57½¢ per share in 1963 and 72½¢ per share in 1964 (adjusted for share dividends) and are now on the highest equivalent per share basis in the Company's history. Even so, this payout has averaged only about 42% of earnings per share. The remainder has been reinvested in the development of people, processes, and plant which have made further expansion possible.

### value added by overseas companies

A final indication of the benefits of international operations and of the strength that our overseas companies provide for shareholders of The Hoover Company is the fact that the Company's equity in Hoover Limited at the latter's recent price of 47 shillings per share provides a theoretical market value of over \$71,000,000—or over \$10 per share of Hoover Company Common Stock.



### Automation in Data Processing

Print-out section of our computer operation. IBM 1401 computer and supporting machinery used for payrolls, billing and invoicing, market analysis, and collation of worldwide Hoover data.

### Automation in Production

Operator at controls of Gyromat paint booth. Here he is spraying canister covers and bodies for portable vacuum cleaners, as they move along the assembly line.



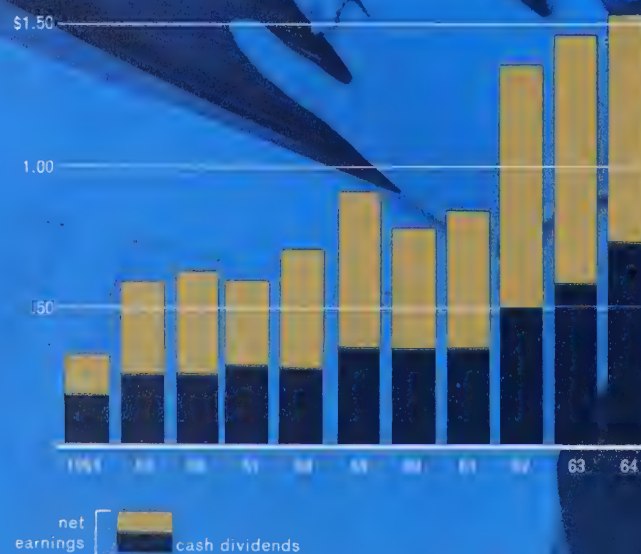
**we've increased profits while cutting unit prices**

(The Hoover Company—domestic only) 1954 = 100



**increase in earnings and dividends per share**

(net earnings and cash dividends for  
The Hoover Company—domestic only)



Adjusted for 100 per cent stock dividends in 1958, 1959, and 1964.  
Earnings do not include foreign subsidiary companies' figures  
except for dividends received from them by The Hoover Company.



## STATEMENTS OF CONSOLIDATED INCOME

The Hoover Company and Subsidiaries, Years ended December 31, 1964, and December 31, 1963

	1964	1963
Net sales .....	<b>\$248,797,757</b>	\$241,802,548
Interest and other income.....	<u>3,952,677</u>	<u>3,200,274</u>
	<b>\$252,750,434</b>	\$245,002,822
<b>Deductions:</b>		
Manufacturing and merchandising costs.....	<b>\$190,835,530</b>	\$185,356,088
General and administrative expenses.....	<b>13,214,841</b>	12,614,848
Depreciation charges .....	<b>6,889,018</b>	6,363,728
Other charges .....	<u>1,185,561</u>	<u>896,809</u>
	<b>\$212,124,950</b>	\$205,231,473
<b>Income before Income Taxes and Minority Interest .....</b>	<b>\$ 40,625,484</b>	\$ 39,771,349
<b>Provision for income taxes — estimated—Note B:</b>		
Federal .....	<b>\$ 7,412,330</b>	\$ 7,560,080
Foreign and state .....	<u>13,873,937</u>	<u>13,050,880</u>
	<b>\$ 21,286,267</b>	\$ 20,610,960
<b>Income before Minority Interest</b>	<b>\$ 19,339,217</b>	\$ 19,160,389
Minority interest in net income of subsidiaries.....	<u>5,197,060</u>	<u>5,224,879</u>
<b>Net Income</b>	<b><u>\$ 14,142,157</u></b>	<b><u>\$ 13,935,510</u></b>

See notes to consolidated financial statements.



<b>Assets</b>	<b>1964</b>	<b>1963</b>
<b>Current Assets</b>		
Cash, including time deposits (1964 — \$11,154,610; 1963 — \$25,671,346) . . . . .	<b>\$ 30,801,814</b>	<b>\$ 39,549,236</b>
Marketable securities — at cost and accrued interest (approximate market) . . . . .	<b>7,036,811</b>	<b>5,010,275</b>
Notes and accounts receivable, less allowances (1964 — \$1,823,833; 1963 — \$1,836,556) . . . . .	<b>53,267,409</b>	<b>45,572,513</b>
Inventories — at lower of cost (principally first-in, first-out basis) or market:		
Finished products . . . . .	<b>\$ 25,702,364</b>	<b>\$ 23,996,306</b>
Work in process, raw materials, and supplies . . . . .	<b>23,185,346</b>	<b>18,337,417</b>
	<b>\$ 48,887,710</b>	<b>\$ 42,333,723</b>
<b>Total Current Assets</b>	<b>\$139,993,744</b>	<b>\$132,465,747</b>
<b>Other Assets</b> . . . . .	<b>1,514,354</b>	<b>1,931,780</b>
<b>Property, Plant, and Equipment</b> — on the basis of cost		
Land . . . . .	<b>\$ 3,881,865</b>	<b>\$ 2,997,092</b>
Buildings and leasehold improvements . . . . .	<b>24,719,545</b>	<b>23,203,538</b>
Machinery, equipment, furniture and fixtures . . . . .	<b>73,469,206</b>	<b>67,285,055</b>
	<b>\$102,070,616</b>	<b>\$ 93,485,685</b>
Less allowances for depreciation and amortization . . . . .	<b>52,946,612</b>	<b>47,509,094</b>
<b>Total Property, Plant, and Equipment</b>	<b>\$ 49,124,004</b>	<b>\$ 45,976,591</b>
<b>Intangible Assets</b> — less amortization . . . . .	<b>1,865,559</b>	<b>2,144,472</b>
<b>Prepaid Expenses and Deferred Charges</b> . . . . .	<b>2,622,645</b>	<b>1,641,887</b>
	<b>\$195,120,306</b>	<b>\$184,160,477</b>



# THE HOOVER COMPANY AND SUBSIDIARIES

Liabilities and Stockholders' Equity	1964	1963
<b>Current Liabilities</b>		
Accounts payable — trade.....	\$ 17,350,514	\$ 17,474,511
Salaries, wages, and commissions.....	5,203,648	6,199,496
Accrued expenses .....	4,095,533	4,832,164
Withheld and accrued taxes.....	1,653,064	1,407,827
Notes and loans payable by foreign subsidiaries...	716,749	567,020
Federal, foreign, and state taxes on income — estimated — Note B.....	16,018,593	17,254,568
<b>Total Current Liabilities</b>	<b>\$ 45,038,101</b>	<b>\$ 47,735,586</b>
<b>Long-Term Liabilities</b>		
Foreign income taxes not payable within one year and provisions for other deferred income taxes (principally on undistributed income of foreign subsidiaries) — Note B.....	\$ 13,928,269	\$ 12,291,149
Long-term notes payable by foreign subsidiaries, less amount due within one year.....	530,891	791,453
<b>Total Long-Term Liabilities</b>	<b>\$ 14,459,160</b>	<b>\$ 13,082,602</b>
<b>Minority Interest in Subsidiaries</b> .....	<b>32,201,795</b>	<b>29,315,527</b>
<b>Stockholders' Equity</b>		
Capital Shares:		
Preferred Shares — 4½% cumulative, par value \$100.00 a share, redeemable at \$105.00 a share and accrued dividends:		
Authorized 50,000 shares		
Outstanding 6,748 shares (311 shares can- celled in 1964).....	\$ 674,800	\$ 705,900
Common Shares — par value \$2.50 a share — Notes C and D:		
Class A (nonvoting):		
Authorized 7,300,000 shares at December 31, 1964, and 3,800,000 shares at December 31, 1963		
Outstanding 6,628,657 shares at December 31, 1964, and 3,217,025 shares at December 31, 1963 (excluding 13,384 shares in treasury at each date).....	16,571,643	8,042,563
Class B (voting):		
Authorized 200,000 shares		
Outstanding 175,431 shares at December 31, 1964, and 171,922 shares at December 31, 1963 .....	438,577	429,805
<b>Total Capital Shares</b>	<b>\$ 17,685,020</b>	<b>\$ 9,178,268</b>
Other Capital .....	9,409,242	10,271,534
Income Employed in the Business — Note B.....	76,326,988	74,576,960
<b>Total Stockholders' Equity</b>	<b>\$103,421,250</b>	<b>\$ 94,026,762</b>
	<b>\$195,120,306</b>	<b>\$184,160,477</b>

See notes to consolidated financial statements.



# STATEMENTS OF CONSOLIDATED OTHER CAPITAL AND INCOME EMPLOYED IN THE BUSINESS

The Hoover Company and Subsidiaries, Years ended December 31, 1964, and December 31, 1963

<b>Other Capital</b>	<b>1964</b>	<b>1963</b>
Balance at January 1.....	<b>\$10,271,534</b>	\$10,133,056
Add:		
Excess of proceeds of sale over par value of Common Shares.....	<b>187,278</b>	75,198
Transfers from income retained in the business....	<b>149,497</b>	61,624
Excess of par value over purchase price of Preferred Shares acquired for cancellation (1964 — 311 shares; 1963 — 552 shares).....	<b>933</b>	1,656
	<b>\$10,609,242</b>	\$10,271,534
Deduct transfer to capital stock account in connection with Plan of Recapitalization — Note D.....	<b>1,200,000</b>	-0-
Balance at December 31.....	<b>\$ 9,409,242</b>	\$10,271,534
<b>Income Employed in the Business</b>		
Balance at January 1.....	<b>\$74,576,960</b>	\$64,631,444
Net income for the year.....	<b>14,142,157</b>	13,935,510
	<b>\$88,719,117</b>	\$78,566,954
Deduct:		
Cash dividends paid:		
On Preferred Shares — \$4.50 a share.....	<b>\$ 30,792</b>	\$ 33,119
On Common Shares — \$.725 a share for 1964, and \$.575 a share for 1963, after adjustment for recapitalization .....	<b>4,926,347</b>	3,895,251
	<b>\$ 4,957,139</b>	\$ 3,928,370
Par value of 3,394,197 Class A Common Shares issued in connection with Plan of Recapitalization—Note D.....	<b>7,285,493</b>	-0-
Transfers to other capital by foreign subsidiaries..	<b>149,497</b>	61,624
	<b>\$12,392,129</b>	\$ 3,989,994
Balance at December 31.....	<b>\$76,326,988</b>	\$74,576,960

See notes to consolidated financial statements.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Hoover Company and Subsidiaries, December 31, 1964

### Note A — Principles of Consolidation

The accounts of the Company and all its subsidiaries are included in the consolidated financial statements as of December 31, 1964, and the accounts as of December 31, 1963 have been consolidated on a basis consistent therewith. After translation of other national currencies into United States dollar equivalents and elimination of inter-company profits and losses and accounts, the following amounts are included in the consolidated financial statements for subsidiaries located outside the United States:

	DECEMBER 31	
	1964	1963
Current assets .....	\$102,730,464	\$95,107,708
Current liabilities .....	35,126,094	36,717,308
Net property, plant, and equipment .....	32,439,680	30,293,459
Total net assets .....	92,069,633	81,352,877
Net income (after elimination of minority interest) .....	7,587,294	7,686,969

The equity in net income of the subsidiaries for the year 1963, has been revised to eliminate the effect of certain adjustments arising only upon consolidation.

Dividends paid by the foreign subsidiaries to The Hoover Company amounted to \$3,328,585 in 1964 and \$3,382,746 in 1963.

The transfer of funds from certain subsidiaries located outside the United States is subject to restrictive regulations of the respective governments. The amounts subject to these regulations at December 31, 1964, are not considered to be material in relation to the total net assets shown in the above tabulation at that date.

In general, property, plant, and equipment accounts and long-term notes payable are translated at the approximate rates of exchange at dates of acquisition or issuance. All other assets and liabilities are translated at the approximate year-end rates of exchange and the operating accounts, except for depreciation, at approximate average rates for the respective years. Gains or losses resulting from translation of the asset and liability accounts have been reflected in income.

Provision has been made for estimated taxes which would become payable if the undistributed income of the foreign subsidiaries were brought into the United States.

### Note B — Taxes on Income

The Internal Revenue Service has proposed certain adjustments, including reductions in the foreign tax credits allowable on dividends received from foreign subsidiaries, with respect to federal tax returns filed by the

Company for the years 1958, 1959, and 1960. In addition, the tax liability of certain foreign subsidiaries currently is being determined by the local taxing authorities who also have proposed certain adjustments. In the opinion of management, the final disposition of these matters will not have a material effect upon the financial statements.

### Note C — Share Option Plan

There were no options granted during the year under the Share Option Plan for officers and key employees. Changes in the outstanding options during 1964 are summarized in the following tabulation:

Options	Class A		Class B	
	Shares	Amount	Shares	Amount
Outstanding January 1, 1964	78,420	\$2,455,885	27,828	\$787,946
Exercised prior to Recapitalization	4,200*	66,402*	1,050*	18,900*
Adjustments resulting from Recapitalization	100,998**	372,333	-0-	372,333*
Exercised subsequent to Recapitalization	13,235*	123,610*	2,459*	30,546*
Outstanding December 31, 1964	161,983	\$2,638,206	24,319	\$366,167

\*Denotes reduction

\*\*Includes 26,778 shares applicable to outstanding options on Class B Shares

Options outstanding at December 31, 1964, were granted at fair market value, or at 110% of fair market value, at date of grant. The options are exercisable, in whole or in part, at any time during the terms of the options which expire on various dates between March 31, 1967, and May 2, 1968 (subject to certain conditions with respect to continued employment), but 19,872 Class A Shares may be exercised only in the ratio of nine Class A Shares to one Class B Share.

At December 31, 1963, there were available for option 24,307.6 Class A Shares and 250 Class B Shares. An additional 25,474.4 Class A Shares were made available under the Plan of Recapitalization referred to in Note D, making 49,782 Class A Shares and 250 Class B Shares available for option at December 31, 1964.

### Note D — Recapitalization

The Plan of Recapitalization adopted April 30, 1964, provided for an increase of authorized Class A Common Shares from 3,800,000 shares to 7,300,000 shares and issuance of one Class A Common Share for each Class A and Class B Common Share issued and outstanding. In accordance with this Plan, 3,394,197 additional Class A Shares were issued.



## NOTES (Continued)

### Note E — Investment Credit

Net income for the year 1964 includes insignificant amounts representing the credit allowed in that year (as a reduction in income taxes) for investment in certain depreciable property plus the portion of credits for the years 1963 and 1962 which had been deferred in those years.

### Note F — Retirement and Pension Plans

The cost of the various retirement and pension plans in effect for employees of the Company and its subsidiaries amounted to approximately \$2,300,000 and \$2,500,000 in 1964 and 1963 respectively. Retirement benefits payable to all covered retired employees

and to all employees eligible for retirement at December 31, 1964, have been funded in full.

### Note G — Lease Commitments

Rentals charged to income in 1964 amounted to approximately \$3,335,000. Of this amount, \$2,528,000 relates to property and equipment under short-term cancellable leases and agreements with no fixed term and \$807,000 to other leases under which rentals aggregating approximately \$10,986,000 are payable in future years, as follows:

Five-year period ending December 31, 1969.....	\$3,935,000
Five-year period ending December 31, 1974.....	2,762,000
Five-year period ending December 31, 1979.....	2,209,000
Five-year period ending December 31, 1984.....	1,280,000
After December 31, 1984.....	800,000

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## ACCOUNTANTS' REPORT

Board of Directors  
The Hoover Company  
North Canton, Ohio

We have examined the consolidated balance sheet of The Hoover Company and subsidiaries as of December 31, 1964, and the related statements of consolidated income, other capital, and income employed in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of certain subsidiaries were examined by other independent accountants whose reports thereon have been furnished to us.

In our opinion, based upon our examination and upon the aforementioned reports of other independent accountants, the accompanying balance sheet and statements of income, other capital, and income employed in the business present fairly the consolidated financial position of The Hoover Company and subsidiaries at December 31, 1964, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST

Canton, Ohio  
March 25, 1965



**directors**

H. W. Hoover, Jr.  
E. C. Austin  
H. E. Black  
H. Earl Hoover  
J. S. Hoover  
F. N. Mansager  
O. M. Mansager  
I. A. Powers  
F. L. Tabacchi  
C. G. Troxler  
F. P. Weller

**officers**

H. W. Hoover, Jr.	President-Chairman
F. N. Mansager	Executive Vice President
J. S. Hoover	Vice Chairman-Secretary
F. L. Tabacchi	Senior Vice President
M. R. Rawson	Vice President-Treasurer
C. G. Troxler	Vice President, Corporate Development
G. P. Daiger	Vice President, Engineering
W. H. Wells	Vice President, Production
G. G. Bettis	Vice President, Marketing
C. C. Martin	Vice President
E. B. Schiltz	Assistant Treasurer and Assistant Secretary

**registrar and transfer agent**

The Harter Bank & Trust Company, Canton, Ohio

**counsel**

Black, McCuskey, Souers & Arbaugh, Canton, Ohio

**independent auditors**

Ernst & Ernst, Canton, Ohio

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**THE HOOVER COMPANY,** North Canton, Ohio